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16 May 1957

MEMORANDUM FOR: The Director of Central Intelligence

SUBJECT: Bureau of the Budget and its Relations with the  
Clandestine Services

1. As a result of the discussion at your Staff Meeting yesterday concerning the extent to which the Bureau of the Budget should be permitted to examine our PP and IO activities in the field, we thought it might be useful to set down certain of the points raised with a view to advocating specific actions.

2. To recapitulate, the Bureau of the Budget has been penetrating more deeply into our clandestine activities with each passing year. The forthcoming June trip of Bart Perry and Harry Wilhelm to review, among other things, PP operations [redacted] plus IO activities [redacted] can only be regarded as evidence of increasing preoccupation with the details of our work. It is their plan to be briefed here prior to the trip, then talk with our people at each of the places mentioned in an effort to examine on the ground precisely what we are doing. From Mr. Helms' conversation with Perry and Wilhelm, it is apparent that they do not have any clear idea of what they intend to advocate as a result of this examination, and we are obviously faced with the specter of one more entity attempting to make a judgment about our [redacted] programs.

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3. In light of the foregoing, we would like to recommend that you follow your own suggestion and discuss this general problem with Governor Sherman Adams. This would certainly help to clear the air and give us some idea of his conception of the role of the Bureau of the Budget versus that of the President's Board of Consultants. The very existence of the Board would seem to obviate the necessity for any other group to make substantive judgments about our activities. Depending upon the outcome of your talk with Governor Adams, you might then want to consider the advisability of raising the problem with the Board in order to obtain their thinking and advice.

4. In advocating these steps, we do feel that the time has come to seek clarification as to the extent of the role which the Bureau of the Budget is expected to play in determining the substantive justification for our operations.

WILLIAM F. BAKER  
FRANK G. LISNER

WFB  
FLS